



Consumer products analytics

The three-minute guide





Why it matters now

Category captains are no longer enough. Retailers are looking for insight captains.

Traditionally, retailers looked to their consumer products (CP) partners to provide merchandising advice to increase sales. Where should a product be placed on the shelf? How should these products be priced? Which promotion is likely to attract customers?

Today, retailers expect much deeper insights from their manufacturers. They want detailed answers to questions such as, “Where should sunscreen be displayed given the buying behaviors of Millennials in the Chicago metro area in July?”

In the future, there will likely be fundamental shifts that CP companies will need to address. Many may rely less on point-of-sale data. Gain capabilities to anticipate events that could affect company performance. Leverage sensor technology to support an agile supply chain. All of these could result in competitive advantage.

CP companies that are able to evolve and meet the needs of their consumers, employees, retail partners, and shareholders have an opportunity to help shape the industry if they move quickly.

Why consumer products analytics

Upgrade from dabbling to embedding

Until recent years, the consumer products industry has been able to depend on the existing, relatively consistent data sources within their businesses due to a fairly linear pace of change. Today, there is an exponential growth in digital innovation driving the need for a strong analytical foundation. Mobile and social technologies are transforming how people shop and buy. Consumers are generating a wealth of digital information for companies that know how to interpret these “signals.”

A handful of CP companies have leapt ahead of their competition by embedding an analytic culture within their organizations. They are using advanced predictive and prescriptive analytic models to shape decisions that span functional areas from marketing to supply chain to manufacturing. Others have clearly defined the decisions and KPIs that matter most to their businesses.

Many of these industry leaders are using new data sources to increase revenues and improve productivity. They track GPS data to deliver mobile coupons based on an individual consumer’s location and buying behaviors. They tap social media to gain insights into how and why customers choose and use products. And they are managing their supply chains based on anticipated demand indicators to become more responsive.

The benefits

Mine untapped data sources

While analysis of transactional data continues to provide valuable information, CP companies can also use data mining and advanced analytics to access new and emerging data sources as well as unstructured data—from social media, mobile payments, sensors, and more—to gain actionable insights even before a purchase is made.

Retain and attract consumers

Brand loyalty is no longer enough to retain today's consumers. Their loyalty must be won by organizations that can provide highly personalized offerings based on what data says about individual preferences and purchase history.

Enhance retailer relationships

CP companies may create a stronger bond with their retail partners by providing them with actionable, highly specific consumer insights.

Enhance decision-making

Advanced analytics and data visualization can be used to help improve decision-making, providing access to insights and answers across the organization to the people that matter at the point of decision.

What to do now

Begin with the end in mind

CP leaders who stand to gain more value from analytics reimagine how people across their enterprise could access and use information to improve decision-making and achieve strategic goals.

Focus on questions first—then tools and talent

Analytics is about asking—and answering—smarter questions to get higher quality results. What questions should you be asking? What information is needed to answer these questions? Which tools can efficiently deliver the answers? What talent will be needed to make it happen?

Plant the seeds of an analytics culture

Start with a small pilot project—perhaps in supply chain or manufacturing—to demonstrate value and feasibility of adopting advanced analytics. Use these findings to gain support in other areas of the organization.

Have a plan

Understand how different projects may be executed by using similar data sets or talent, enabled by consistent governance and standards.

Time's up



Enter the express line

Analytics isn't a technology or a process so much as it is a commitment. Without the rigor, discipline, and focus that come from commitment, it's just data. To explore how your organization could move forward with analytics, please contact us.

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